

THE UNITED STATES DISTRICT COURT
THE DISTRICT OF COLUMBIA

THE ESTATE OF ESTHER KLIEMAN, et al.,)

)

Plaintiff,)

)

vs.)

Case No.)

) 04-1173 (PLF) (JMF)

)

THE PALESTINIAN AUTHORITY, et al.,)

)

Defendants.)

)

DEPOSITION OF

MAZEN JADALLAH

East Jerusalem, Israel

June 15, 2010

REPORTED BY: AMY R. KATZ, RPR

1 MR. HEIDEMAN: If, however, either you or
2 the witness do not understand any question, please stop
3 whoever is questioning and ask us to repeat. Do you
4 understand?

5 INTERPRETER MASARWAH: Yes.

6 MR. HEIDEMAN: Please translate to the
7 witness.

8 (Last colloquy translated.)

9 MR. HEIDEMAN: Thank you.

10 BY MR. HEIDEMAN:

11 Q. Would you state your name, please, sir?

12 A. Mazen Jadallah.

13 Q. Would you spell that for the court reporter?

14 A. In Arabic or English?

15 Q. Since I understand that you do speak English
16 and read English well, if you could spell it in
17 English, it would save some time.

18 A. (In English) M-A-Z-E-N, J-A-D-A-L-L-A-H.

19 Q. Mr. Jadallah, please tell the court where
20 you were born.

21 A. Anabta, Tulkarm.

22 MR. HEIDEMAN: Madam Court Reporter, let me
23 inquire if you were able to hear the witness and
24 understand the witness' answer, or do you need it
25 translated by the interpreter?

1 Do I understand correctly that your first
2 position with the Palestinian National Authority was in
3 May, 1997?

4 A. Right.

5 Q. Do I understand that that position was with
6 the Ministry of Planning and International Cooperation?

7 A. Right.

8 Q. And do I understand that your first
9 assignment was in Gaza?

10 A. Right.

11 Q. And do I understand that from May 1997 until
12 March 1998 you were in that position?

13 A. Right.

14 Q. And do I understand correctly, sir, that
15 from March of 1998 until now, you have worked
16 continuously for the Palestinian National Authority
17 Ministry of Finance?

18 A. Yes.

19 Q. Thank you.

20 Tell us, sir, what was your first position
21 with the Ministry of Finance for the Palestinian
22 National Authority, and where were you based?

23 A. I was assistant deputy -- assistant director
24 general at the Ministry of Finance in Gaza, working
25 with the budget department.

1 A. Okay.

2 Q. And if we're referring to the West Bank
3 only, let's say "West Bank"; is that agreeable, sir?

4 A. Okay.

5 Q. But if we are referring to both Gaza and the
6 West Bank, I believe we've agreed we'll use the term
7 "Palestinian Territory"; is that correct, sir?

8 A. Right.

9 Q. Thank you.

10 Then do I understand that for the time
11 period 1999 through 2005, your responsibilities
12 included, in the Ministry of Finance, the budget for
13 development projects for the Palestinian Territory, as
14 we've just defined it; is that correct, sir?

15 A. Somehow, because it doesn't include the
16 implementation of the budget; it's the preparation of
17 the development budget.

18 Q. During that time period, sir, were you
19 familiar with the entire budget of the Palestinian
20 National Authority and its various arms or divisions or
21 departments or ministries?

22 A. Yes.

23 Q. Tell the court, please, whether or not
24 during the time period from 1999 through 2005 the
25 Palestinian Authority distributed money under its

1 budget to a group called the Al-Aqsa Martyrs' Brigade?

2 A. The Palestinian Authority spends money over
3 what we call budget items, budget line. And there is
4 nothing called "Al-Aqsa" in our budget, absolutely.

5 Q. Thank you.

6 I understand your last answer to be that
7 there is no line item for the time period 1999 through
8 2005 in the budget of the Palestinian National
9 Authority that is a line item referred to as Al-Aqsa
10 Martyrs' Brigade; is that correct?

11 A. Yes, correct.

12 Q. Do you have, sir, an intimate knowledge, in
13 your opinion, of the budget of the Palestinian National
14 Authority for the period 1999 through 2005?

15 A. What does "intimate" mean?

16 Q. I'll rephrase.

17 Although you've just told us that there was
18 no budget line for the Al-Aqsa Martyrs' Brigade in the
19 budget of the Palestinian National Authority for the
20 time period 1999 to 2005, would you please tell the
21 court whether or not monies in any currency,
22 transferred from the Palestinian National Authority,
23 directly or indirectly, to the Al-Aqsa Martyrs' Brigade
24 for the time period 1999 through 2005?

25 A. There is no money transferred to anything

1 other than what in the budget, has a budget line. If I
2 may elaborate on this?

3 Q. Please.

4 A. Our budget, when it is approved, becomes a
5 law, and you are not allowed, according to the law, to
6 spend outside the budget. So we can only spend on
7 things inside the budget. And there is nothing in the
8 budget called Al-Aqsa Martyrs whatsoever. So there
9 were no transfers, neither directly nor indirectly, to
10 this Al-Aqsa thing.

11 Q. Thank you.

12 Were there transfers from the budget of the
13 Palestinian National Authority for the time period 1999
14 through 2005 to Fatah?

15 A. Yes, there were.

16 Q. And tell the court, please, what was the
17 size of the transfers in each year, for 1999 through
18 2005, from the Palestinian National Authority to Fatah?

19 A. Regarding the size of the transfer, we
20 submitted that to you through our lawyers. I don't
21 recall numbers. But if you want to elaborate on that,
22 please, give me the report we submitted to you through
23 our lawyers and we will discuss it, if you want.

24 Q. Do you understand that you are here as the
25 official designee of the Palestinian Authority to

1 A. Yes, those documents present a printout of
2 the system of the Ministry of Finance, showing some
3 disbursements done to Fatah party.

4 Q. Yes. Now, in your earlier testimony, sir,
5 you indicated that monies, if I heard you correctly,
6 monies for Fatah were transferred from the Palestinian
7 National Authority Ministry of Finance pursuant to
8 order of the Palestine Liberation Organization; is that
9 correct?

10 A. Right. Not only that, but should be against
11 their budget items and should have the total ceilings
12 that happen.

13 Q. Now, looking at this document which bears
14 Bates number 447, it is Exhibit 14, and as to 447,
15 please indicate to the court the month and date of the
16 transfer from the Ministry of Finance, the entity to
17 whom it was transferred, and the authority for the
18 transfer, as well as the amount, please, sir?

19 A. This invoice does not show the authority for
20 the transfer because this is a print of the system for
21 a payment that took place. But this shows the
22 following information: Shows the names of the Fatah
23 who is entitled of the amount of money, to which branch
24 office Fatah was paid, and shows the amount of Israeli
25 shekels, and whether this is a final payment or they

1 have still list views, and it says zero list views.

2 The reason why it was transferred, it was transferred
3 following an order from the president.

4 Q. The reason for the transfer was what, sir?

5 A. A decision by the president, request by the
6 president, who is the head of the PLO, of course.

7 Q. So the amount that was transferred, is that
8 39,131.04 shekels?

9 A. Right, it looks like.

10 Q. It was transferred, as indicated on Bates
11 447, to Fatah in Bethlehem; is that correct?

12 A. Right.

13 Q. And the date of the transfer appears to have
14 been in December, if I see it right, of 2001; is that
15 correct? Or am I misunderstanding?

16 A. No. When you are going back to the system
17 and trying to retrieve all the information, it shows
18 the fiscal year. The details would be in the invoice
19 itself. So this is from Jan 31, 2001, to
20 December 31st, 2001.

21 Q. All right. So the Palestinian National
22 Authority Ministry of Finance in the calendar year of
23 2001 transferred 39,131.04 shekels to Fatah in
24 Bethlehem, and the transfer was ordered by the
25 president of the Palestinian Authority, Yasser Arafat,

1 who also served as the president of the Palestine
2 Liberation Organization; do I understand correctly?

3 A. Correct, yes.

4 Q. Thank you.

5 Look now, if you would, at the next page of
6 Exhibit 14, being Bates number 448. This is for the
7 same year; is that correct?

8 A. Yes.

9 Q. And this is a transfer to Fatah in Jericho
10 of 34,750 shekels; is that correct?

11 A. Correct.

12 Q. And page 449 is for the same year of 2001,
13 and it shows a transfer to Fatah in the Nablus district
14 of 15,370 shekels; isn't that correct?

15 A. That was part of the transfer, but the
16 transfer of the 17,501 shekels.

17 Q. And it indicates at the top there that it
18 was a presidential decision to do that transfer; is
19 that correct?

20 A. Right.

21 Q. Would that have also referred to President
22 Arafat?

23 A. Yeah, but in his capacity -- both
24 capacities, his capacity as the leader of the PLO also.

25 Q. So that transfer that was shown on Bates

1 code 449 by Yasser Arafat was both in his capacity as
2 president of the Palestine Liberation Organization and
3 also of the Palestinian National Authority; is that
4 correct?

5 A. Correct.

6 Q. Thank you.

7 Looking now at the next page, Bates 450,
8 this is for the same year, and it's for 273 shekels; is
9 that correct? Or would it be --

10 A. Correct.

11 Q. 273 shekels?

12 A. 273,000 shekels.

13 Q. Thank you. 273,000 shekels. You did say
14 it's necessary to be precise, and thank you for
15 correcting me.

16 And it indicates there that it was pursuant
17 to presidential decision, so that too would have been
18 by Yasser Arafat, both in his capacity as president of
19 the Palestine Liberation Organization and as president
20 of the Palestinian National Authority; is that correct?

21 A. Correct. But this money was transferred to
22 the central Fatah committee in the West Bank, not a
23 branch.

24 Q. This was transferred to Fatah in the West
25 Bank as opposed to one of the others; is that correct?

1 A. No, it's not one of the others. It's the
2 management of the whole thing.

3 Q. Fatah Central Committee?

4 A. No, it's not central committee. Sorry.
5 Main headquarters, you have main headquarters, you have
6 branches. So the main headquarters is always larger,
7 and more liability and more recurrent costs to incur.

8 Q. What, in 2001 and 2002, accounting did Fatah
9 give to the Finance Ministry of the Palestinian
10 National Authority for this 273,000 shekels it
11 received?

12 A. They shouldn't be given any accounting
13 because they are not part of the Palestinian Authority.
14 They are not a spending agency on the Palestinian
15 Authority. They are given this money because the
16 Palestinian Liberation Organization decided to give
17 them this money out of its own budget.

18 Q. So that there is no confusion, then, the
19 Palestine Liberation Organization, you said earlier in
20 your testimony, is the boss of the Palestinian National
21 Authority; is that correct?

22 A. Right, and they are a budget line in our
23 budget.

24 Q. And the Palestine Liberation Organization
25 receives money from the budget of the Palestinian

1 National Authority, and that's a budget administered by
2 the Ministry of Finance; is that correct?

3 A. The overall budget is administered by the
4 Ministry of Finance, yes. The Palestinian Liberation
5 Organization budget is administered by the National
6 Fund, which I said earlier.

7 Q. Yes. And from the line of the PLO, as it
8 relates to the revenues the PLO receives from the
9 Palestinian National Authority through the Ministry of
10 Finance, it allocates money to Fatah; is that correct?

11 A. It's not revenues. It's budget allocations.
12 The PLO doesn't generate any revenues. And from the
13 budget allocations, it seems that they paid Fatah,
14 because they have to pay Fatah.

15 I don't know, I'm not familiar with their
16 budget. I'm not the person to discuss the budget, but
17 those invoices which were produced by the Ministry of
18 Finance and they directly to protect, following an
19 order from the PLO, are there to protect out of the
20 budget of the PLO, following a request from the person
21 authorized to draw from the PLO, or paid to Fatah out
22 of the budget of the PLO, following a request from the
23 person authorized to draw money from the PLO accounts.

24 Q. What other monies, other than to Fatah, did
25 the Palestine Liberation Organization have the right to

1 designate for direct payment of funds from the
2 Palestinian National Authority through your offices at
3 the Ministry of Finance in the time period 2000 through
4 2005?

5 A. Although it's a very wide question, but, for
6 example, they might ask us to send money to our
7 representation offices in Europe or in any other Arab
8 country. So anything to do with their budget lines, if
9 they ask us to spend, we will spend; as simple as that.

10 It's their money. Normally we transfer the
11 money to the National Fund, the National Fund
12 distributes the money. But let me answer why we are
13 doing this in those particular years.

14 Q. Yes.

15 A. Because of a scarcity of funds. Let's say
16 that the PLO is entitled to a hypothetical number, a
17 million dollars, that month. We don't have a million
18 to transfer to the fund, so we pay them bits and
19 pieces. Whenever we have some revenues, they can ask
20 us to pay 20,000 shekels to Fatah, 30,000 shekels to
21 our embassy in Cairo, something like that.

22 Such things happened at that time. But all
23 in all, they are entitled of one monthly payment which
24 consists of one over 12 of their annual budget, and
25 they are responsible for this person, and they are the

1 ones to answer to that, not me.

2 Q. And as best you recall, what was the
3 approximate budget allocation to the Palestine
4 Liberation Organization from the Palestinian National
5 Authority in 2002?

6 A. I don't recall anything.

7 Q. Thank you.

8 A. Let me add here to enlighten you more,
9 because -- the budget, the budgeting process, as you
10 might have concluded from the figures that you have
11 budgeted for 4 billion, and you received 900 million at
12 that time doesn't mean anything, because the revenues
13 were held by the Israelis.

14 So we were spending only the amount of money
15 we receive or we collect. So it doesn't reflect -- it
16 reflects the maximum that they can have, but they have
17 never been able during that time to have 50 percent of
18 the budgeted amount.

19 Q. Who was required to approve the amount of
20 allocation to the PLO from the budget of the
21 Palestinian National Authority for the year 2002?

22 A. It's not only the PLO budget. It's a budget
23 preparation cycle. It's a whole cycle that you do for
24 the whole Authority at the same time.

25 You receive requests from various agencies